

Thirty-fifth
Annual Report
of the
United States Tariff Commission
1951



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UNITED STATES TARIFF COMMISSION

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LETTER OF TRANSMITTAL

UNITED STATES TARIFF COMMISSION,
Washington, January 8, 1952.

SIR: I have the honor to transmit to you the Thirty-fifth Annual Report of the United States Tariff Commission in compliance with the provisions of section 332 of the Tariff Act of 1930.

Respectfully,

OSCAR B. RYDER,
Chairman.

THE PRESIDENT OF THE SENATE,
THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

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SUMMARY

For the purposes of this report, the activities of the Tariff Commission have been classified under the following headings: Work done in response to directives or requests from the Congress; trade-agreement activities; work under other provisions of law; general work of the Commission; cooperation with defense and other Government agencies; other activities; personnel and administration; and finances and appropriations.

Work for the Congress

During 1951, as in previous years, work undertaken by the Tariff Commission at the request of the Congress, congressional committees, and individual Members of Congress accounted for a substantial share of its activities. In the first 11 months of the current year the Commission analyzed and reported on 45 proposed bills and congressional resolutions, replied to about 400 letters from individual Members of Congress requesting information on trade and tariff matters, supplied technical assistance to congressional committees during hearings on proposed legislation, and, in general, fulfilled that part of its statutory obligations that make it a service agency for the Congress.

Activities Under the Trade Agreements Program

The Trade Agreements Extension Act of 1951, which extends the authority of the President to negotiate reciprocal trade agreements for a period of 2 years from June 12, 1951, enlarges the functions of the Tariff Commission in several respects. It provides for so-called peril-point investigations by the Commission to determine what concessions may be made by the United States on products listed for consideration in prospective trade-agreement negotiations without causing or threatening serious injury to domestic industry. This procedure was first provided for in the Trade Agreements Extension Act of 1948. The provision was repealed by the Trade Agreements Extension Act of 1949, but was restored in substantially its original form in the extension act of 1951. The extension act of 1951 also establishes a statutory procedure for the conduct by the Tariff Commission of "escape clause" investigations. In previous years the procedure for Tariff Commission investigations under the escape clause in trade agreements was provided for by Executive order.

One of the Tariff Commission's major activities in the past year with respect to trade agreements was assistance in the preparations for the third set of tariff negotiations sponsored by the Contracting Parties to the General Agreement on Tariffs and Trade. This Conference, held at Torquay, England, from September 1950 to April 1951, was attended by a Commissioner, who, as a member of the official United States Delegation, served as the Tariff Commission member of the Interdepartmental Committee on Trade Agreements, and by 16 members of the staff, who assisted the United States Delegation.

At the beginning of 1951 five applications for escape-clause investigations were pending before the Commission; during the year the Commission received nine new applications. The disposition of all applications pending before the Commission during 1951 is stated in the body of this report.

Since 1947 the Tariff Commission has been required by Executive order to report at least once each year to the President and to the Congress on the operation of the trade agreements program. The fourth report in this series, covering the period from July 1950 through June 1951, is nearing completion.

On August 29, 1951, the Interdepartmental Committee on Trade Agreements formally announced the intention of the Government of the United States to conduct new negotiations with Venezuela for the purpose of revising the 1939 trade agreement with that country. The Tariff Commission thereupon began to prepare the trade data which in such circumstances it has regularly furnished to the interdepartmental trade agreements organization. The Commission also instituted the "peril point" investigation required by section 3 of the Trade Agreements Extension Act of 1951 with respect to the products listed for consideration for possible granting of tariff concessions, the most important products being crude petroleum and residual fuel oil.

Among many other trade agreements activities in which the Tariff Commission assisted during the past year were those arising from the dissolution of the Syro-Lebanese Customs Union and the subsequent withdrawal of Syria and Lebanon from membership in the General Agreement on Tariffs and Trade, and those relating to the withdrawal from Czechoslovakia and other Soviet-dominated countries of the benefit of trade-agreement concessions made by the United States.

Work Under Other Provisions of Law

Under the provisions of section 22 of the Agricultural Adjustment Act, the Commission made an investigation relating to harsh or rough "ordinary" long-staple cotton; this investigation resulted in a proclamation by the President establishing a supplemental import quota for such cotton for the remainder of the quota year which began Febru-

ary 1, 1951. Work relating to two investigations on extra-long-staple cotton, ordered by the Commission during the previous year, was completed in 1951.

Under the same authority of law, the Commission during 1951 kept currently advised on the competitive situation respecting edible tree nuts. On the basis of information regarding the outlook for the new crop year, the Commission ordered a public hearing on edible tree nuts, which was held September 12 to 14. In its investigation the Commission found that imports of shelled and blanched almonds during the 1951-52 marketing year, if subject only to the existing rates of duty, are practically certain to interfere materially with the Department of Agriculture's marketing-agreement-and-order program for almonds. In its report of November 28, 1951, therefore, the Commission recommended to the President that he impose an import fee, in addition to the existing tariff duties, on imports of shelled and blanched almonds in excess of a stated aggregate quantity. The Commission indicated, however, that restrictions under the provisions of section 22 on imports of the other tree nuts included in the investigation are not warranted at this time. On December 10, 1951, the President signed a proclamation putting into effect the recommendations of the Tariff Commission. The proclamation imposes a fee of 10 cents per pound, but not more than 50 percent ad valorem, in addition to the existing tariff duties, on imports of shelled and blanched almonds in excess of an aggregate quantity of 4,500,000 pounds during the period October 1, 1951, to September 30, 1952, with a provision that not more than 500,000 pounds of the fee-free quota may consist of blanched almonds.

In the past year the Tariff Commission received two applications for investigations under section 336 of the Tariff Act of 1930. That section provides for changes in tariff rates based on the difference between costs of production at home and abroad. The first of these applications, pertaining to various lead products, was dismissed on May 29, 1951. The second application, involving certain kinds of chinaware, was dismissed (Commissioners Brossard and Gregg dissenting) on October 23, 1951.

On May 1, 1951, after careful consideration, the Commission dismissed a complaint filed in 1949 under section 337 of the Tariff Act of 1930. The complaint alleged unfair methods of competition in the importation of flexible metal hose or tubing and of machines for the manufacture of such products.

A recent statute suspending the import-excise tax on copper for a stated period provides for revocation of the suspension whenever the Tariff Commission determines that the average market price of stand-

ard electrolytic copper shapes and sizes has remained below 24 cents a pound for any one calendar month during the period. The Commission has established the procedures necessary for carrying out this function and is keeping currently informed on copper prices.

General Work of the Commission

Under the provisions of section 332 of the Tariff Act of 1930, which sets forth the general powers of the Tariff Commission, the Commission is constantly engaged in investigating and reporting on a wide range of subjects relating to tariffs, commercial policies, and international trade. During the 3 years 1948-50 it revised and issued 44 volumes of Summaries of Tariff Information, covering about 2,300 separate commodities. This large body of information, prepared at congressional request, is widely used as source material by the Congress, the defense agencies, the trade agreements organization, other Government agencies, private business concerns, and the general public.

The Commission is currently preparing a series of reports on various industrial materials of special importance to the defense program. These reports, which summarize the salient economic and statistical information concerning these materials, are designed to assist other agencies of the Government in mobilizing the Nation's resources for defense.

Reduction of the staff of the Commission since the war has made necessary the curtailment of its work of analyzing changes in the trade and trade policies of foreign countries. The Commission has, therefore, deferred work on three reports in its already extensive series on the commercial policies, foreign trade, and economies of the Latin American countries.

The Commission continued to issue its customary annual reports on domestic production and sales of synthetic organic chemicals, as well as monthly statistics both on selected chemicals in this group and on synthetic plastics and resin materials. These reports, long recognized for their value to the Congress and to the domestic chemical industry, are now of special value to the defense agencies, and have been expanded at their request.

In 1951 the Commission issued a revision of its 1947 report on newsprint. The earlier report was fairly comprehensive, but the recent widespread interest in the shortage of newsprint made it desirable to publish the latest available information on this commodity.

During 1951 the Commission substantially amended certain of its *Rules of Practice and Procedure*; issued a revised and amplified edition of its *Rules for Tabular Presentation*; and issued two supplements to its publication *United States Import Duties (1950)*.

Other Activities

The Tariff Commission has always made its resources and experience freely available to other agencies of the Government. During the past year this cooperative assistance was extended to more than 30 different agencies. Of particular importance, because of activities arising out of the defense program, was the aid given by the Commission to the National Production Authority and the Office of Price Stabilization. The Tariff Commission also supplied a considerable volume of information on matters relating to tariffs and trade in response to requests received from agriculture, industry, commerce, labor, and the general public.

1. Introduction

The first of the two main sections of the report is devoted to a general survey of the work done during the year. This section is divided into two parts, the first of which deals with the work done in the field of the study of the structure of the atom, and the second with the work done in the field of the study of the properties of the atom. The second of the two main sections of the report is devoted to a detailed account of the work done in the field of the study of the structure of the atom. This section is divided into two parts, the first of which deals with the work done in the field of the study of the structure of the atom, and the second with the work done in the field of the study of the properties of the atom.

WORK DONE IN RESPONSE TO DIRECTIVES OR REQUESTS FROM THE CONGRESS

During 1951, as in previous years, work undertaken at the request of the Congress, congressional committees, and individual Members of Congress accounted for a substantial share of the Commission's activities.

Reports to Committees on Proposed Legislation

Committees of Congress to which bills and resolutions on tariff and trade matters are referred regularly request the Tariff Commission to analyze such proposed legislation. Most of these requests come from the House Committee on Ways and Means and the Senate Committee on Finance. During the first 11 months of 1951 the Commission prepared and submitted to congressional committees reports on 45 bills and resolutions. Preparation of comments on these bills and resolutions usually involves considerable work by the Commission and its staff, and the congressional committees often require extensive reports.

The bills and resolutions referred to the Commission for analysis during 1951 related to a wide variety of subjects, as may be seen from the following representative list: Imposition of quotas on tung oil; free entry of imports of baling twine; suspension of the duty on imports of lead, copper, and other nonferrous metals; extension of the President's authority to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended; imposition of duties on fresh and frozen tuna; prohibition of imports of certain furs from the Union of Soviet Socialist Republics; amendment of certain administrative provisions of the Tariff Act of 1930; temporary free importation of samples under bond for export; elimination of the additional internal revenue taxes on coconut oil coming from the Trust Territory of the Pacific Islands; amendment of the provisions of the Tariff Act of 1930 concerning supplies for vessels and aircraft; and amendment of certain provisions of section 311 of the Tariff Act of 1930 relating to bonded manufacturing warehouses.

Special Services to Committees of the Congress

Congressional committees, in their consideration of proposed legislation, often ask the Tariff Commission not only for written reports,

but also for other assistance. In some instances, the Commission is asked for information in response to questions that develop in committee hearings. In some instances also, Commission experts are asked to appear at public hearings, or to supply information orally in executive sessions of committees. For example, when the Trade Agreements Extension Act of 1951 was being considered, the Chairman of the Commission testified on the bill before the Senate Committee on Finance; members of the Commission's staff were assigned during the hearings to supply information to both the Senate Committee on Finance and the House Committee on Ways and Means; and the Commission furnished additional data on numerous questions that developed during those hearings.

Members of the staff of the Commission furnished detailed information to the Committee on Ways and Means in connection with its consideration of several bills to amend the Tariff Act of 1930 so as to impose duties on imports of fresh and frozen tuna, which is now on the free list. One of the bills introduced would have provided for a duty of 3 cents a pound on fresh and frozen tuna. This bill was passed by the House of Representatives, but was not acted upon by the Senate before the Congress adjourned.

Another instance of special service to a congressional committee was the aid given by the Commission to the Joint Committee on the Economic Report in its study of the possible consequences, under the present emergency conditions, of the elimination of restrictions on imports into the United States. In response to a request by the chairman of the committee, the Commission submitted a memorandum setting forth the authority of the President to reduce or eliminate barriers on essential imports into the United States, and analyzing the general effects of the suspension of restrictions on United States imports. The staff of the Commission then prepared and submitted to the staff of the committee memorandums on a variety of commodities imported into the United States. These memorandums included data on domestic production, imports, exports, and characteristics of the domestic and foreign industries, and other background material pertinent to the committee's analysis of conditions of competition between the imported and domestic articles in the United States market.

Services Rendered to Individual Senators and Representatives

Since the Commission's last annual report a large number of letters have been received from individual Senators and Representatives requesting various types of information. Many of these requests concerned applications for investigations pending before the Commission. Several requests from individual Members related to legislation under consideration by the Congress, such as the Trade Agreements Exten-

sion Act of 1951 and bills to change the rates of duty on specific commodities. Others concerned the trade-agreement negotiations under the General Agreement on Tariffs and Trade, held at Torquay, England, from September 1950 to April 1951, and the proposed trade-agreement renegotiations with Venezuela. Still others related to increased imports of certain commodities from Japan, and to United States trade with the Soviet Union and its satellite countries.

During the year the Commission furnished to several Members of Congress, at their request, tabulations showing import statistics on glassware and pottery, by kinds and by countries of origin. It also furnished interested Members with monthly statistics on imports of tops of animal hair, wool yarns, and woolens and worsteds.

Besides requests by letter, the Commission receives a large number of telephone requests from individual Members of Congress for Tariff Commission publications or for various types of information. Response to such requests often requires considerable research and the preparation of extensive statistical compilations. The Commission also regularly furnishes information to the interdepartmental Committee for Reciprocity Information¹ to enable that Committee to respond to inquiries by Members of Congress.

¹ The primary functions of the Committee for Reciprocity Information, which was created by Executive order in 1934, are (1) to provide an opportunity for all interested parties to present their views on proposed trade agreements and (2) to see that those views are brought to the attention of the Interdepartmental Committee on Trade Agreements and the "country" committee concerned.

The first of these is the fact that the system is not a simple one. It is a complex system, and the complexity is not only in the number of variables, but also in the nature of the variables. The second is the fact that the system is not a static one. It is a dynamic system, and the dynamics are not only in the number of variables, but also in the nature of the variables.

The third is the fact that the system is not a linear one. It is a non-linear system, and the non-linearity is not only in the number of variables, but also in the nature of the variables. The fourth is the fact that the system is not a deterministic one. It is a stochastic system, and the stochasticity is not only in the number of variables, but also in the nature of the variables.

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The eighth is the fact that the system is not a deterministic one. It is a stochastic system, and the stochasticity is not only in the number of variables, but also in the nature of the variables. The ninth is the fact that the system is not a simple one. It is a complex system, and the complexity is not only in the number of variables, but also in the nature of the variables. The tenth is the fact that the system is not a static one. It is a dynamic system, and the dynamics are not only in the number of variables, but also in the nature of the variables.

TRADE-AGREEMENT ACTIVITIES

Functions Under the Trade Agreements Extension Act of 1951

The Trade Agreements Extension Act of 1951 extended the authority of the President to negotiate reciprocal trade agreements for a period of 2 years from June 12, 1951. It restored the so-called peril-point procedure originally provided for in the Trade Agreements Extension Act of 1948 but repealed by the Trade Agreements Extension Act of 1949. It also enacted into law an "escape clause" procedure providing for Tariff Commission investigations regarding injury to domestic industries due to increased imports of commodities on which trade-agreement concessions have been granted.

Under sections 3 and 4 of the Trade Agreements Extension Act of 1951, the "peril point" provisions, the President is required, before entering into any trade-agreement negotiations, to furnish the Tariff Commission with a list of the import commodities that have been selected for consideration in the proposed negotiations. The Tariff Commission must report to the President to what extent, if any, the existing rates of duty may be decreased, or whether existing free entry may continue to be bound, without causing or threatening serious injury to the domestic industries concerned, or to what extent rates of duty must be increased in order to avoid such injury. The Commission must submit this report to the President within 120 days after it receives the President's list; in the meantime it must hold public hearings at which interested parties are given opportunity to be present, to produce evidence, and to be heard.

The statute forbids the President to enter into a trade agreement until the Commission has made its report to him or until the 120-day period has expired. Thus the President may proceed with the negotiations immediately, if he so wishes, but may not conclude an agreement until he receives the Commission's report or until the 120-day period has expired. The statute provides that if the President enters into an agreement which establishes a lower rate of duty on any of the commodities involved than the rate indicated in the Commission's report, or which fails to provide for such increased rate of duty as is specified in the report, the President is required to report to the Congress and state the reasons for his action. It provides further that the Commission must then furnish the House Committee on Ways and Means and the Senate Committee on Finance with a copy of the portions of its peril-point report dealing with the commodities in question.

Section 8 (a) of the extension act of 1951 also assigns to the Tariff Commission the task of making immediate investigations under the provisions of section 7 of the act and of section 22 of the Agricultural Adjustment Act, as amended, whenever the Secretary of Agriculture determines that, because of the perishability of any agricultural commodity, a condition exists requiring emergency treatment.¹

Section 7 of the Trade Agreements Extension Act of 1951 relates to the escape clause. It provides that the Tariff Commission, upon the request of the President, upon resolution of either house of Congress, upon resolution of either the Senate Committee on Finance or the House Committee on Ways and Means, upon its own motion, or upon application by any interested party, must promptly conduct an investigation to determine whether any product on which a trade-agreement concession has been granted is, as a result, in whole or in part, of the duty reflecting such concession, being imported in such increased quantities, actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products. Whenever in the course of its investigation the Commission finds evidence of serious injury or threat of serious injury, or whenever so directed by resolution of either the Senate Committee on Finance or the House Committee on Ways and Means, the Commission must hold public hearings and afford interested parties a reasonable opportunity to be heard. In arriving at its findings and conclusions, the Commission must consider several factors expressly set forth in section 7 of the act.

Should the Commission find, as a result of its investigation, the existence or threat of serious injury to a domestic industry as a result of increased imports due to the duty reflecting the concession, it must recommend to the President, to the extent and for the time necessary to prevent or remedy such injury, the withdrawal or modification of the concession, or the suspension of the concession in whole or in part, or the establishment of an import quota. Within 60 days, or sooner if the President has given effect to its recommendations, the Commission must transmit to the Senate Committee on Finance and the House Committee on Ways and Means an exact copy of its report and recommendations to the President. When in the Commission's judgment no recommendation to the President for change in a trade-agreement concession is warranted, the Commission must nevertheless make and publish a report stating its findings and conclusions.

The Trade Agreements Extension Act of 1951 (sec. 6) requires the President, as soon as practicable, to take such action as may be neces-

¹ For a fuller discussion of sec. 8 (a), see the following section of this report, "Work Under Other Provisions of Law, Section 22 of the Agricultural Adjustment Act."

sary to include an escape clause in all trade agreements currently in force.

Activities in 1951 Under the Trade Agreements Program

Activities under the trade agreements program accounted for a large part of the work of the Tariff Commission and its staff during 1951. During the first 4 months of the year, a Commissioner and 16 members of the Commission's staff continued to serve at the Torquay Conference of the Contracting Parties to the General Agreement on Tariffs and Trade. In addition, during 1951 the Commission worked on the escape-clause applications and investigations pending before it; prepared its fourth report on the operation of the trade agreements program; participated in preparations for trade-agreement negotiations with Venezuela; completed a peril-point investigation on the articles imported into the United States that were listed for consideration in the Venezuelan negotiations; and assisted in work relating to modification of certain other existing trade agreements.

Work relating to the Torquay negotiations

All of the Commission's preparatory work for the Torquay negotiations under the General Agreement on Tariffs and Trade was completed during 1949 and 1950. During the last quarter of 1950 and the first 4 months of 1951, however, a Commissioner and several members of the Commission's staff attended the Torquay Conference, where they assisted the United States Delegation in the trade-agreement negotiations sponsored by the Contracting Parties.² The Commissioner, who was a member of the official United States Delegation, served at Torquay as a member of the Interdepartmental Committee on Trade Agreements. Fifteen members of the Commission's staff assisted the various United States negotiating teams or served as members of the secretariat. Toward the end of the Conference, the General Counsel of the Commission went to Torquay to assist in putting into final form the United States schedule of concessions negotiated there.

Activities under the escape clause in trade agreements

A safeguarding clause, commonly known as the escape clause, was first included in the 1943 trade agreement between the United States and Mexico. Subsequently a similar clause was included in the 1947 trade agreement between the United States and Paraguay, in the multilateral General Agreement on Tariffs and Trade, and, effective

² The Torquay Conference was in session from September 28, 1950, to April 21, 1951.

Applications for investigations under escape-clause procedure pending before the Tariff Commission during 1951 (as of Dec. 1, 1951)

14

Commodity	Name and address of applicant	Date received	Status
1. Knit gloves and knit mittens, finished or unfinished, wholly or in chief value of wool. Gloves and mittens, embroidered in any manner, wholly or in chief value of wool. Gloves and mittens, knit or crocheted, finished or unfinished, wholly or in chief value of cotton.	Association of Knitted Glove and Mitten Manufacturers, Gloversville, N. Y.	Aug. 5, 1949	Application withdrawn July 5, 1951; withdrawal accepted, without prejudice, by the Commission July 11, 1951.
2. Stencil silk, dyed or colored-----	Albert Godde Bedin, Inc., New York, N. Y.	Jan. 30, 1950	Dismissed after preliminary inquiry June 7, 1951.
3. Lead-bearing materials, lead, and lead scrap.	Emergency Lead Committee, New York, N. Y.	May 11, 1950	Dismissed after preliminary inquiry Jan. 25, 1951.
4. Lead-bearing materials, lead, and lead scrap.	New Mexico Miners and Prospectors Association on behalf of Lead Producers of New Mexico, Albuquerque, N. Mex.	May 16, 1950	Do.
5. Hatters' furs, or furs not on the skin, prepared for hatters' use, including fur skins carroted.	Hatters' Fur Cutters Association of the U. S. A., New York, N. Y.	June 22, 1950	Investigation instituted Jan. 5, 1951. Hearing held Feb. 6, 1951.
6. Jeweled watches and watch movements containing 7 but not more than 17 jewels, and parts therefor.	Elgin National Watch Co., Elgin, Ill. Hamilton Watch Co., Lancaster, Pa.	Feb. 13, 1951	Investigation instituted on all watches and watch movements and parts therefor Mar. 23, 1951. Hearing held May 15-24, 1951.
7. Motorcycles and parts-----	Harley-Davidson Motor Co., Milwaukee, Wis.	May 21, 1951	Investigation instituted June 29, 1951. Investigation extended to include parts July 19, 1951. Hearing held Sept. 18-27, 1951.
8. Blue-mold cheese-----	National Cheese Institute, Inc., Chicago, Ill.	June 11, 1951	Investigation instituted June 29, 1951.

UNITED STATES TARIFF COMMISSION

9. Screws, commonly called wood screws, of iron or steel.	United States Wood Screw Service Bureau, New York, N. Y.	Aug. 15, 1951	Investigation instituted Aug. 22, 1951.
10. Spring clothespins-----	Clothespin Manufacturers of Amer- ica, Washington, D. C.	Aug. 22, 1951	Investigation instituted Sept. 10, 1951.
11. Fresh or frozen groundfish fillets-----	Massachusetts Fisheries Association, Inc., Boston, Mass.; and others.	Sept. 10, 1951	Hearing held Nov. 13, 1951. Investigation instituted Sept. 17, 1951.
12. Garlic-----	Robert S. Stapleton, Gilroy, Calif.	Oct. 8, 1951	Hearing held Nov. 26-29, 1951.
13. Bicycles and parts-----	Bicycle Manufacturers Association of America, New York, N. Y. Cycle Parts and Accessories Manu- facturers Association, New York, N. Y.	Oct. 11, 1951	Investigation instituted Oct. 15, 1951. Do.
14. Cherries, candied, crystallized, or glace.	Maraschino Cherry and Glace Fruit Association, New York, N. Y.	Oct. 26, 1951	Investigation instituted Oct. 31, 1951.

October 13, 1950, in the 1936 trade agreement between the United States and Switzerland. The escape clause provides that, under specified conditions, either party to the agreement may withdraw or modify any concession made therein.

The procedure for administering the escape clause, first provided for by Executive order and, since June 1951, by act of Congress, has always designated the Tariff Commission as the agency to make investigations to determine whether there is cause for invoking an escape clause. From April 1948, when the first application for investigation was made, to December 1, 1951, the Tariff Commission received and accepted a total of 29 applications. Five applications were pending before the Commission at the beginning of 1951, and 9 applications were received and accepted up to December 1. During the first part of 1951, before the Congress passed the Trade Agreements Extension Act of 1951, the Commission dismissed 3 applications after preliminary inquiry. During 1951 (to December 1) the Commission instituted, but did not complete, 10 investigations, and accepted the withdrawal of one application. The nature and status of the individual escape-clause applications that were pending before the Commission during 1951 are shown in the accompanying list.

Report on operation of the trade agreements program

In 1947 the Tariff Commission was directed by Executive Order 9832 to report to the President and to the Congress, at least once each year, on the operation of the trade agreements program. Superseding Executive orders have repeated this directive. In its first three reports the Commission covered developments under the trade agreements program from its inception in 1934 through June 1950.

The Commission's fourth report, now nearing completion, will cover the period July 1950 through June 1951. It will deal mainly with the trade-agreement legislation enacted by the United States during the period covered; developments respecting the General Agreement on Tariffs and Trade; the multilateral tariff negotiations at Torquay; changes in tariffs and other trade controls by countries with which the United States has trade agreements; and United States measures relating to imports of trade-agreement items.

Preparations for renegotiation of trade agreement with Venezuela

On June 18, 1951, the Governments of the United States and Venezuela announced that the 1939 trade agreement between the two countries would be renegotiated. During the early preparations for this renegotiation, the Tariff Commission supplied the interdepartmental trade agreements organization with tariff and trade data on commodities imported into the United States from Venezuela. On the basis of this and other information, the Interdepartmental Trade Agree-

ments Committee selected the items on which the United States would consider granting concessions in the negotiations. On August 29, 1951, the Committee issued formal notice of its intention to enter into negotiations with Venezuela to supplement and amend the 1939 agreement, and listed the articles imported into the United States that would be considered for concessions.

On August 29, 1951, pursuant to section 3 of the Trade Agreements Extension Act of 1951, the President transmitted to the Tariff Commission a list of the articles imported into the United States that were to be considered in the negotiations with Venezuela, and requested the Commission to conduct a peril-point investigation as required by the act. The Commission instituted its investigation on that day. From October 2 through October 4, 1951, it held public hearings at which interested parties were given an opportunity to present their views on the concessions that might be granted by the United States. Interested parties who were unable to attend the hearings were permitted to submit written statements before the close of the hearings. To assist the Commission in determining the peril point for each listed article, members of the Commission's staff brought the pertinent Summaries of Tariff Information up to date, and also prepared supplementary confidential data needed by the Commission to make its appraisal. The Commission's peril-point report, now (December 1) in preparation, will be submitted to the President before December 27, when the permitted 120-day period expires.

For each of the items selected for possible negotiation the Commission furnished the trade agreements organization with up-to-date revisions of the pertinent Summaries of Tariff Information.

Work relating to modification of other existing trade agreements

During 1951, members of the Commission and its staff participated in work of the trade agreements organization looking toward the possible withdrawal of concessions granted by the United States, in the General Agreement, to the Syro-Lebanese Customs Union and to Czechoslovakia, as well as toward the suspension of the application of trade-agreement concessions to the Soviet Union and to Soviet-dominated countries.

After the dissolution of their customs union, Lebanon and Syria each withdrew from the General Agreement on Tariffs and Trade, the withdrawals becoming effective in February 1951 and August 1951, respectively. Thereafter, under the provisions of article XXVII of the General Agreement, the United States trade agreements organization undertook consideration of the withdrawal of concessions the United States had initially negotiated with the Syro-Lebanese Customs Union at Geneva in 1947.

Section 5 of the Trade Agreements Extension Act of 1951 requires the President, as soon as practicable, to take such action as is necessary to suspend, withdraw, or prevent the application of any trade concession to imports from the Soviet Union and from any Communist-dominated nation or area. In accordance with the provisions of section 5, during 1951 the trade agreements organization considered both withdrawing the concessions the United States had initially negotiated with Czechoslovakia in the General Agreement, and terminating all tariff concessions on products of Czechoslovakia imported into the United States. At the Sixth Session of the Contracting Parties to the General Agreement, held at Geneva in September-October 1951, the United States requested and obtained from the Contracting Parties permission to cease extending to Czechoslovakia all tariff concessions granted in the General Agreement by the United States, including those it had negotiated initially with Czechoslovakia at Geneva. On October 2, 1951, the President notified the Treasury Department that after the close of business on November 1, 1951, United States concessions made in trade agreements would be suspended with regard to products of Czechoslovakia.

Pursuant to section 5 of the Trade Agreements Extension Act of 1951, the President, during the latter half of 1951, also suspended the application to products of the Soviet Union and certain other Communist-controlled countries, of all reduced rates of duty (including import tax) established pursuant to any trade agreement. Products of Hungary will remain subject to trade-agreement rates until the termination of the most-favored-nation agreement with that country becomes effective.

WORK UNDER OTHER PROVISIONS OF LAW

Specific provisions of law direct the Tariff Commission to conduct various investigations and to make certain special studies. These directives are contained in sections 336 and 337 of the Tariff Act of 1930; section 22 of the Agricultural Adjustment Act, as amended; the Philippine Trade Act of 1946; and Public Law 38 of the Eighty-second Congress. During 1951 the Commission made no investigations under the provisions of the Philippine Trade Act. Its work under the other laws mentioned is discussed below.

Section 22 of the Agricultural Adjustment Act

Section 22 of the Agricultural Adjustment Act authorizes the President to restrict the importation of commodities, either by the imposition of import fees or by quota limitations, if such importation tends to render ineffective or materially to interfere with programs of the Department of Agriculture relating to agricultural commodities. This section requires the Tariff Commission to conduct an investigation, hold a public hearing, and make a report and recommendation to the President.

The Trade Agreements Extension Act of 1951 expands the scope of permissible action under section 22 of the Agricultural Adjustment Act. Under section 8 (b) of the extension act, no trade agreement or other international agreement entered into at any time by the United States may be applied in a manner inconsistent with the requirements of section 22. Previously, section 22 provided that no action taken under it should be in contravention of any international obligation of the United States.

The Trade Agreements Extension Act of 1951 also provides for special procedure under the provisions of section 22 in emergency conditions due to the perishability of any agricultural commodity. Upon report to the President and the Commission by the Secretary of Agriculture that such emergency conditions exist with respect to any agricultural commodity, the Tariff Commission must make an immediate investigation, either under section 22 of the Agricultural Adjustment Act, as amended, or under section 7 of the Trade Agreements Extension Act of 1951, and make recommendations to the President. The Commission's report to the President and the President's decision must be made not more than 25 calendar days after

the case is submitted to the Tariff Commission. If the President deems it necessary, however, he may take action immediately, without awaiting the recommendations of the Commission.

Long-staple cotton

Under the provisions of section 22, quota restrictions have been imposed since 1939 on imports of cotton (distinguishing long-staple from short-staple cotton), in accordance with recommendations of the Tariff Commission. In recent years, the Commission has conducted a number of investigations to determine whether supplemental import quotas for certain types of long-staple cotton were necessary. During 1951, the Commission made one investigation relating to harsh or rough long-staple cotton. In addition, it continued into the current year work connected with the two investigations that it had ordered during 1950 on extra-long-staple cotton.

On September 20, 1950, the Tariff Commission ordered an investigation to determine whether an additional quantity of cotton having a staple of $1\frac{3}{8}$ inches or more but less than $1\frac{11}{16}$ inches in length (extra-long-staple) should be permitted to enter before the opening of the new quota year on February 1, 1951. Cotton of this staple length was in short supply partly because of the expanded defense program. A public hearing was held on September 29. On October 6 the Commission recommended to the President that a supplemental quota, not to exceed 7,500,000 pounds, be established on such cotton; that imports under the supplemental quota be confined to concerns that showed real need for such cotton; and that the Tariff Commission allocate the imports under the quota directly to such concerns. On October 12, 1950, the President issued a proclamation giving effect to these recommendations. From October 1950 through January 1951 the Commission received applications for import licenses under this supplemental quota, determined whether the applicant needed such cotton, and issued the licenses on the applications that were approved.

On November 29, 1950, the Commission ordered another investigation on extra-long-staple cotton because of reports that some domestic producers were experiencing difficulties as a result of inadequate supplies of such cotton. A public hearing was held on December 11. Information obtained at the hearing and from other sources indicated that a second supplemental quota for extra-long-staple cotton was not warranted during the quota year ending January 31, 1951. On January 24, 1951, therefore, the Commission announced that it was not recommending to the President that a second additional quota for imports of such cotton be established.

On May 28, 1951, the Tariff Commission ordered an investigation on harsh or rough cotton having a staple of $1\frac{1}{8}$ inches to $1\frac{3}{8}$ inches in length (commonly known as Tanguis cotton), as distinct from the extra-long-staple cotton discussed above. A public hearing was held on June 13. The Commission undertook this investigation because the annual quota for long-staple cotton (45,656,420 pounds), applicable to all cotton having a staple of $1\frac{1}{8}$ inches or more but less than $1\frac{11}{16}$ inches in length, was filled (mostly by Egyptian cotton) on February 1, 1951, the opening date of the current quota year. Because of this and other circumstances, the United States stock of Tanguis cotton (a specialty cotton grown in Peru) was extremely low. In its report to the President the Commission stated that the importation of an additional 1,500,000 pounds of this cotton during the remainder of the quota year would not interfere with any program of the Department of Agriculture regarding cotton. On June 29, 1951, the President signed a proclamation, effective after 5 days, permitting entry of a supplemental import quota of 1,500,000 pounds of harsh or rough cotton having a staple of $1\frac{3}{16}$ inches or more but less than $1\frac{3}{8}$ inches in length. A summary of this report appears in the appendix.

Edible tree nuts

On April 13, 1950, by direction of the President, the Tariff Commission instituted an investigation of edible tree nuts under section 22 of the Agricultural Adjustment Act, as amended. The purpose of the investigation was to determine whether almonds, filberts, walnuts, brazil nuts, or cashews were being imported, or were practically certain to be imported, into the United States under such conditions and in such quantities as to render ineffective or materially to interfere with any programs of the Department of Agriculture relating to almonds, filberts, walnuts, or pecans. A public hearing was held on June 27 and 28. On November 24, 1950, the Commission reported to the President that under the then existing conditions there was no basis for the imposition of import fees or import quotas on edible tree nuts under section 22, but that it would continue the investigation and give consideration to action should changed conditions so warrant.

After making its interim report to the President, the Commission followed closely the operation of programs of the Department of Agriculture on edible tree nuts, as well as the factors that bear on the competition between domestic and imported tree nuts. On the basis of information regarding the outlook for the new crop year, the Commission on July 12, 1951, ordered a second public hearing, which was held September 12-14.

In its investigation the Commission found that imports of shelled and blanched almonds during the current marketing year (1951-52), if subject only to the existing rates of duty ($16\frac{1}{2}$ cents per pound on shelled and $18\frac{1}{2}$ cents per pound on blanched almonds), are practically certain to interfere materially with the marketing-agreement-and-order program on almonds undertaken by the Department of Agriculture under the Agricultural Marketing Agreement Act of 1937, as amended. The Commission therefore recommended to the President, in its report of November 28, 1951, that an import fee be imposed on imports of shelled almonds in excess of a stated aggregate quantity. The Commission's report to the President on the investigation indicated, however, that at this time restrictions under the provisions of section 22 on imports of the other tree nuts included in the investigation are not warranted.

On December 10, 1951, the President signed a proclamation putting into effect the recommendations of the Tariff Commission. The proclamation imposes a fee of 10 cents per pound, but not more than 50 percent ad valorem, in addition to the existing duties under the tariff act, on imports of shelled and blanched almonds in excess of an aggregate quantity of 4,500,000 pounds during the period October 1, 1951, to September 30, 1952, with a provision that not more than 500,000 pounds of the 4,500,000-pound fee-free quota may consist of blanched almonds.

In its November 1951 report, as in the November 1950 interim report to the President on the same investigation, the Commission stated that it is continuing the investigation and that it will keep a close watch on the trade in tree nuts and on the provisions and operations of marketing agreements and other programs of the Department of Agriculture on tree nuts, with a view to considering what restrictions, if any, on imports under section 22 of the Agricultural Adjustment Act may be necessary in the light of future developments.

Section 336 of the Tariff Act of 1930

Section 336 of the Tariff Act of 1930—the so-called flexible-tariff provision—sets forth the procedure under which the import duty on a commodity may be changed (within specified limitations) by proclamation of the President, after investigation and report by the Tariff Commission of the difference between costs of production in the United States and in the principal competing foreign country. The scope of action under the provisions of section 336, however, has been greatly reduced because the Trade Agreements Act made that section inapplicable to any commodity on which a tariff concession has been granted in a trade agreement. During 1951 the Tariff Com-

mission received two applications for investigation under section 336.

On February 16, 1951, the Emergency Lead Committee, New York, N. Y., filed an application for an investigation under section 336 with respect to lead-bearing materials, lead, and lead scrap. The United States had granted tariff concessions on these articles in the 1943 trade agreement with Mexico. With the termination of the Mexican agreement on December 31, 1950, the rates of duty on lead had reverted to those provided for by the Tariff Act of 1930, and had become eligible for change by action under section 336. After the filing of the application, which looked toward a further increase in the duty, the United States at the Torquay Conference reduced the duties on these articles to the level that had prevailed under the Mexican agreement. The results of the Torquay negotiations were announced on May 8, 1951. Inasmuch as trade-agreement rates of duty cannot be changed by action under the provisions of section 336, the Commission on May 29, 1951, dismissed the application of the Emergency Lead Committee.

In June 1951 the Vitrified China Association, Inc., Washington, D. C., filed an application for an investigation, under section 336, with respect to household china table and kitchen articles valued at less than certain specified values.¹ The association alleged that the present rate of duty does not equalize the cost of production of comparable ware made in the United States and in Japan, the chief source of competing imports, and that United States producers are consequently unable to maintain their fair share of the domestic market. The Commission, after an analysis of the available data on the production, trade, and competition with respect to this particular kind of chinaware, on October 23, 1951, dismissed the application (Commissioners Brossard and Gregg dissenting).

Section 337 of the Tariff Act of 1930

Section 337 of the Tariff Act of 1930 authorizes the Tariff Commission to investigate alleged unfair methods of competition and unfair acts in the importation of articles or in the sale of imported articles in the United States. When the effect or tendency of such unfair methods or acts is to destroy or substantially injure a domestic industry, the articles involved may be excluded from entry by Executive order.

¹ In the General Agreement on Tariffs and Trade, the United States has granted concessions on these articles if valued at more than the minimum figures specified in the agreement. The application of the association related only to the low-cost articles on which the United States has not granted concessions in a trade agreement.

In 1951 the Commission received no complaints under the provisions of section 337. On May 1, 1951, however, it dismissed a complaint filed in 1949 by the Chicago Metal Hose Corp., Maywood, Ill. This complaint alleged unfair methods of competition in the importation of machines for the manufacture of corrugated flexible metal tubing or hose, as well as in the importation of the flexible tubing itself.

Other Special Provisions of Law

A recent statute (Pub. Law 38, 82d Cong.) provides for the suspension of the import-excite tax on copper from April 1, 1951, until February 15, 1953, or until the termination of the national emergency, whichever is the earlier. The law also directs the President to revoke such suspension whenever the Tariff Commission determines that the average market price of electrolytic copper in standard shapes and sizes, delivered Connecticut Valley, has been below 24 cents a pound for any one calendar month.

In preparation for carrying out the duties assigned to it by this law, the Commission in 1951 investigated the sources of price information on copper which are commonly used both by producers and consumers; the procedures used in collecting and compiling published price quotations; and the reliability of the various published quotations for purposes of administering the law. Currently, as directed by Public Law 38, the Commission determines monthly the average market price of electrolytic copper, delivered at Connecticut Valley points.

GENERAL WORK OF THE COMMISSION

Section 332 of the Tariff Act of 1930, which sets forth the general powers of the Tariff Commission, directs the Commission to investigate and report on a wide range of subjects related to tariffs, commercial policies, and international trade. These subjects include, among others, the fiscal and industrial effects of, and the operation of, the customs laws; the effects of various types of import duties; tariff relations between the United States and foreign countries; commercial treaties; the volume of imports compared with domestic production and consumption; and the competition of foreign industries with those of the United States.

Under the provisions of section 332, the Tariff Commission has issued various editions of its Summaries of Tariff Information; periodic reports on synthetic organic chemicals; special reports on the commercial policies of various foreign countries; various editions of its publication *United States Import Duties*; and other special reports, including those on specific commodities and industries.

Summaries of Tariff Information

Under the general powers of the Commission, its most extensive work is the preparation of its Summaries of Tariff Information. These summaries contain, for each classification specified in the tariff act, the tariff history of the commodity; a discussion of its nature and uses; an analysis of the trends in United States production, imports, and exports; data on output and the conditions of production in foreign countries; and an analysis of the factors affecting the competition of imports with the domestic product. Continuous revision of these summaries, the first edition of which was issued in 1920, is one of the main activities of the Commission. Under present conditions, continuous revision is especially essential to insure that the Congress and the defense agencies have authentic, up-to-date information on developments that affect the trade in important commodities.

During 1948 and 1949 the Commission published its fourth edition of the summaries on dutiable commodities, and in 1950 it issued a revision of those covering the free list. The completed series, comprising 44 volumes, consists of about 2,300 separate summaries. These revised summaries have been widely used by the Congress, the defense agencies, the trade agreements organization, and other Government agencies, and by industrial, agricultural, commercial, labor, and other organizations.

Because of the pressure of high-priority work, the Commission has not been able to maintain a regular schedule for publishing revisions of the summaries, notwithstanding that in order to be of maximum use they should be reissued at frequent intervals. Many of the revised summaries prepared in 1948 and 1949 already need further revision because of significant changes in the industries involved. Some recent revisions have been made available to the defense agencies even though they have not yet been published.

Industrial Materials Reports

Acting under the provisions of section 332 of the Tariff Act of 1930, the Commission from its beginning has issued numerous commodity and industrial surveys. These surveys, which are more comprehensive than the Summaries of Tariff Information, have covered individual commodities and industries that had an important bearing at the time on the country's economic foreign policy or defense policy. Before the war the Commission published a number of these surveys. In 1945 the House Committee on Ways and Means and the Senate Committee on Finance requested the Commission to prepare surveys of industries that had been, or might be expected to be, greatly affected by developments during the war. In response to this request, the Commission prepared and issued 29 reports in a series called War Changes in Industry.

Late in 1950 the Commission began to prepare a series of commodity reports designed to assist other Government agencies in the mobilization of the Nation's resources for defense. The commodities dealt with in this Industrial Materials Series are mainly raw materials, but some are more advanced products that are materials for further manufacture. The general objective of each report is to present in concise form, principally for the use of defense agencies and manufacturers who are handling defense orders, background material bearing on the outlook for supply and demand in the years immediately ahead. For each commodity, the report summarizes the salient economic and statistical information on uses, consumption, United States production, imports, and exports, and other data pertinent to United States requirements and supplies.

The Commission is releasing the individual reports in the series as they are completed. During the last half of 1951 it issued *Ethyl Alcohol (Industrial Alcohol)* (M-1), *Bedding Feathers and Downs* (M-2), and *Asbestos* (M-3). These reports are summarized in the appendix. The Commission has made arrangements with the National Security Resources Board to give these reports a special broad distribution to defense agencies.

Periodic Reports on Synthetic Organic Chemicals

In 1951 the Commission released its preliminary and final reports on the production and sales in 1950 of synthetic organic chemicals and the raw materials from which they are derived. These reports are part of the series that the Commission has published each year since 1918. Continuing the practice started 2 years ago, the Commission issued the preliminary report for 1950 in 13 separate sections. Each section was released as soon as completed. The first section was issued in April 1951, and the last early in August. Most of the companies cooperated by supplying their data earlier than usual; this prompt reporting, along with intensive work by the Commission's staff, made possible the release of the statistics earlier than in previous years. Releasing the sections separately permits issue of the complete preliminary report much earlier than if the statistics were held and released under one cover; it also enhances the value of the report to producers, trade associations, importers, and other interested groups and individuals. The National Production Authority has made extensive use of the data collected by the Commission, and has called on the Commission to supply corresponding data for several earlier years.

The final report for 1950, issued in a single document in the fall of 1951, includes final statistics on production and sales for each segment of the industry; a Directory of Manufacturers, which identifies each product with its producers; statistics on imports of coal-tar products that enter the country under paragraphs 27 and 28 of the Tariff Act of 1930; and statistics on the number of persons engaged in research in the synthetic organic chemical industry. The current reports in this series, as well as those issued in earlier years, are in great demand. The final report for 1950 is summarized in the appendix.

During 1951 the Commission continued to release monthly statistics on production, for a selected list of organic chemicals, in the Facts for Industry Series 6-2. This series, which was started during the war, was continued afterward at the request of the chemical industry and several Government agencies. It covers chemicals considered to be representative indexes of activity in the industry. The original list of chemicals covered was selected with the advice of the chemical industry and the Government agencies interested in statistics on chemicals. Beginning in January 1951, the survey was expanded, at the request of the National Production Authority, to include data on plant consumption (that is, consumption in the plant that produces the given chemical) and inventories, as well as production of the listed chemicals by individual plants. Previously the production data in each report covered the operations of a company as a whole regardless of the locations of the plants it operated. Each month the Commission has sup-

plied the National Production Authority with a confidential transcript of all the data reported. Again at the request of the National Production Authority, about 22 chemicals were added to the list, beginning with the report for July 1951, thus bringing to 90 the total number of items covered. The addition of plant consumption and inventory columns to the schedule, as well as the addition of new items, has materially increased the work of the Commission's staff. Moreover, the National Production Authority has indicated that in the future it will require data on additional items.

The Commission also continued during 1951 to issue monthly statistics on production and sales of synthetic plastics and resin materials in the Facts for Industry Series 6-10. At the request of Government defense agencies and the plastics industry, the Commission first undertook this project in 1948, when the Bureau of the Census discontinued issuing this information. The survey covers production and sales, by uses, of the major classes of synthetic plastics and resin materials, including tar-acid, alkyd, urea and melamine, polystyrene, and vinyl resins. The data collected by the Commission classify plastics and resins according to their use as adhesives, laminates, protective coatings, and molding and extrusion materials, and for other purposes. Beginning with the January 1951 report, the Commission expanded the survey, at the request of the National Production Authority, to include data on inventories of plastics and resins held by producing companies at the end of each month.

In 1951 the Commission issued its annual analysis of imports of coal-tar products. This report presents statistics for 1950 on United States imports for consumption, of the finished coal-tar products dutiable under paragraphs 27 and 28 of the Tariff Act of 1930. Such imports include coal-tar intermediates, dyes, medicinals and pharmaceuticals, flavor and perfume materials, and miscellaneous finished products.

As a result of the country's expanded defense effort, the Commission's chemical reports have assumed an importance greater than in ordinary times. At the request of the defense and emergency agencies, as mentioned above, the Commission has expanded the monthly reports on synthetic organic chemicals, and it is probable that, with the increased tempo of defense activities, the Commission will be called upon to expand further the coverage of its chemical reports, as well as to do special research on strategic chemicals for the defense and emergency agencies.

Revision of Report on Newsprint Paper

During 1951 the Commission issued a revision of its report *Newsprint*, which was first published in 1947 as Report No. 22 in the series

on War Changes in Industry. Because of the widespread interest in the present shortage of newsprint throughout the world, the Commission brought the original report up to date. A summary of the revised report appears in the appendix.

Reports on Trade Policies of Foreign Countries

One of the functions that section 332 of the Tariff Act of 1930 assigns to the Tariff Commission is that of investigating and reporting on the tariff and trade policies of foreign countries. Among the Commission's earliest reports were several extensive ones in this field. From time to time in later years the Commission issued comprehensive reports on the international trade and commercial policies of particular foreign countries that were of special interest at the time. During the period 1937-48 it published the reports *United States-Philippine Trade*; *Italian Commercial Policy and Foreign Trade*; *Foreign Trade and Exchange Controls in Germany*; *The Foreign Trade of Latin America* (4 volumes); *Latin America as a Source of Strategic and Other Essential Materials*; *Commercial Policies and Trade Relations of European Possessions in the Caribbean Area*; and a series of separate reports on individual Latin American Republics, covering economic controls and commercial policies; mining and manufacturing industries; agricultural, pastoral, and forest industries; and recent developments in foreign trade.

Progressive reduction of the Commission's staff and the pressure of higher priority work since the war have made it necessary to defer the work of analyzing changes in the tariff and trade policies of foreign countries. At present, the only activity in this field consists of intermittent work on three reports in the series on recent developments in the foreign trade of the Latin American countries.

United States Import Duties

To fulfill its function of making available complete, up-to-date information on United States tariffs, the Commission for some years has issued, with the cooperation of the Bureau of Customs of the Treasury Department, a compilation entitled *United States Import Duties*. This publication, the latest edition of which was issued in August 1950, shows the changes in United States import duties since 1930. It consists of two parts. The first presents in tabular form the tariff description of the commodities, the rates of duty applicable to them under the Tariff Act of 1930, and the modified rates of duty where such modified rates are currently in effect. It also includes a list of the items that are free of duty, and the provisions of the Internal Revenue Code which levy certain taxes on imports. The

second part contains the special and administrative provisions of the Tariff Act of 1930, as amended. Between the major revisions of this publication, the Commission from time to time issues supplements indicating the changes made since the last previous complete edition. This publication has been used extensively by business and industrial organizations, as well as by the Congress and by many Government agencies.

Because of the pressure of other work and the curtailment of its staff, the Commission was unable to issue a revised edition of *United States Import Duties* during 1951. The Commission hopes, however, to be able to issue a new edition in the early part of 1952. Meanwhile, it has supplied supplements to those who have the August 1950 edition so that they may keep it up to date. The first supplement was issued in December 1950, and the second, in June 1951. Most of the organizations or persons on the Commission's mailing list purchased the basic document from the Superintendent of Documents; they will be notified when a new edition may be purchased.

Effect of Trade-Agreement Concessions on United States Tariff Levels Based on Imports in 1949

In April 1951 the Tariff Commission issued an analysis of the effect of trade-agreement concessions on the level of the United States tariff, based on the import statistics for 1949. Like similar analyses the Commission had previously published, this analysis indicates the proportion of dutiable imports into the United States that has been covered by reductions in duty or bindings of existing rates of duty in trade agreements and the extent to which average ad valorem equivalents of United States duties have been reduced by trade agreements. The analysis, which takes into account all trade-agreement concessions in effect on January 1, 1951, is based on the import data for 1949; previous analyses had been based on data for earlier years. In October 1951, in order to show the extent to which the Torquay concessions had affected the level of the United States tariff, the Commission revised part of the analysis and reissued it. Much of the material in the revised analysis will be included in the Commission's next report on the operation of the trade agreements program.

Rules of Practice and Procedure

In October 1951 the Commission amended its *Rules of Practice and Procedure*. The major changes in the rules are the inclusion of procedures for the "peril point" investigations provided for in the Trade Agreements Extension Act of 1951, and the revision of the rules governing investigations under the "escape clause" procedure.

Rules for Tabular Presentation

Because of the large number of statistical compilations which the Tariff Commission prepares in connection with its investigations and reports, the Commission in 1941 compiled for the use of its staff a guide to be followed in preparing statistical tables and tabulations. This manual was revised in 1943. There has been a continuing demand for it by other Government agencies, by commercial and industrial organizations, and by individuals. For this reason, the Commission further revised and amplified the manual in 1951. The new edition, titled *Rules for Tabular Presentation*, includes a section that distinguishes between tabulations and tables, a graphic illustration of the terms used in tabular presentation, and new illustrative material.¹ Although the manual pertains only to the presentation of statistical material in typewritten form, it conforms in general to the style established by the United States Government Printing Office for printed tabular work.

¹The manual may be purchased from the Superintendent of Documents, United States Government Printing Office, Washington 25, D. C., at 25 cents a copy.

Index for Tables Presentation

The index for the tables is a subject of statistical compilation which the author of the book has treated in a very original way. In the first part of the book, the author has given a general idea of the subject and has shown the importance of the index for the user of the table. In the second part, the author has given a detailed description of the index and has shown how it can be used in practice. In the third part, the author has given a list of tables which are available in the literature and has shown how they can be used in practice. In the fourth part, the author has given a list of tables which are available in the literature and has shown how they can be used in practice. In the fifth part, the author has given a list of tables which are available in the literature and has shown how they can be used in practice. In the sixth part, the author has given a list of tables which are available in the literature and has shown how they can be used in practice. In the seventh part, the author has given a list of tables which are available in the literature and has shown how they can be used in practice. In the eighth part, the author has given a list of tables which are available in the literature and has shown how they can be used in practice. In the ninth part, the author has given a list of tables which are available in the literature and has shown how they can be used in practice. In the tenth part, the author has given a list of tables which are available in the literature and has shown how they can be used in practice.

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COOPERATION WITH DEFENSE AND OTHER GOVERNMENT AGENCIES

Section 334 of the Tariff Act of 1930 directs the Commission to cooperate with other Government agencies in appropriate matters. Over the years, assistance of this kind has constituted a considerable part of the Commission's activity. Among the more important instances of such cooperative work is the Commission's continuing collaboration with the Department of Commerce, the Treasury Department, and the Munitions Board, and with the Department of State on many matters besides the trade-agreement activities described in an earlier section of this report. In 1951 the Commission also carried on various kinds of work in cooperation with some 30 other Government agencies. The assistance that the Commission gives to other Government agencies ranges from meeting simple requests requiring only a few minutes' time to projects involving several hundred hours of work by members of the staff. At times, cooperation with other Government agencies involves detailing members of the Commission's staff to other agencies for extended periods. Besides the various trade-agreement committees on which its personnel serve, the Tariff Commission is represented on about 25 other interdepartmental committees.

With the increased tempo of defense and emergency activities since the outbreak of hostilities in Korea, the Commission has received from other Government agencies, notably the National Production Authority and the Office of Price Stabilization, an increasing number of requests for assistance.

Another aspect of interdepartmental cooperation is the assistance that other Government agencies give to the Tariff Commission in the conduct of its work. Outstanding examples of this assistance are the continuing work of the Bureau of the Census, Department of Commerce, in supplying the Commission with necessary statistical data on the foreign trade of the United States; the collaboration of officials of the Bureau of Customs, Treasury Department, especially in the preparation of the publication *United States Import Duties* and the supplements thereto; and the assistance of the Departments of State, Agriculture, and Commerce in certain phases of the Commission's work.

Defense and Emergency Agencies

The United States Government agencies concerned with the problems of defense have found during the present emergency, as they

found during World War II, that the Tariff Commission is a ready source of needed information on strategic and critical materials. Calls are received daily from defense and emergency agencies for the Commission's publications and for spot information on commodities, as well as for information that requires research. By direct contact with representatives of the Office of Price Stabilization, the Commission has supplied that Office with correct references to tariff paragraphs, as used in Ceiling Price Regulation 31 (May 9, 1951) and amendment No. 1 (May 9, 1951) relating to imports. The Commission has also supplied the Office of Price Stabilization with price data collected and organized over the years by certain of its commodity divisions.

The Commission's Chemical Division devotes a substantial part of its time to cooperation with the National Production Authority, the Munitions Board, and the Office of Price Stabilization. For the use of those agencies in determining allocations, the Chemical Division supplies data on production, consumption, and stocks of the most important organic chemicals and plastics materials; for their use in establishing normal consumption levels, it supplies annual data for a period of years. In addition, it provides the defense agencies with needed information on heavy chemicals, agricultural chemicals, drugs, and other products of the chemical industry.

The Commission has been called upon also to supply personnel to various defense agencies to set up and to supervise commodity units. In one instance, the Accounting Section of a large division of the Office of Price Stabilization was organized by a member of the Commission's staff.

The Munitions Board

During 1951 members of the Commission's staff continued to serve on a number of interdepartmental committees that the Munitions Board has established to advise the Department of Defense on such matters as national requirements for certain products under wartime conditions, stockpile requirements, and needs for additional productive capacity for certain commodities. Because of the store of information that the Commission has assembled on foreign sources of supply, the commercial policies of foreign suppliers, and various aspects of domestic production, it is able to contribute substantially to the work of these committees.

International Materials Conference

Recently the United States has been participating in a series of conferences with other countries on internationally traded materials that are in short supply. To assist in the negotiations, the United

States Government has established a number of interdepartmental advisory committees. On each of the five subcommittees now in existence the Tariff Commission is represented by one or more members of its staff. The Commission furnishes detailed data on the international trade in the commodities that are under consideration by the subcommittees.

Classification of Imports and Exports

The continuing assistance of the Tariff Commission in the work of keeping up to date the statistical classifications of United States imports and exports was described in detail in its *Annual Report* for 1950.

During 1951 the Commission assisted the Interdepartmental Advisory Committee on Foreign Trade Commodity Classification in the revision of Schedule A, the statistical classification of commodities imported into the United States. In this revision, approximately 2,000 changes were made in the import schedule; a good portion of these changes resulted from the trade-agreement negotiations at Torquay, England.

The Commission also cooperated with the Bureau of the Census, Department of Commerce, in a major revision of Schedule B, the statistical classification of domestic and foreign merchandise exported from the United States. To facilitate the work of revision, nine interdepartmental committees were organized. One or more of the Commission's commodity experts served on each of the committees, and members of the Commission's staff headed four of them.

Other Assistance to Government Agencies

During 1951 the Commission also cooperated with a number of Government agencies in addition to those already mentioned in detail; among these were the Department of State, the Department of Agriculture, the Bureau of the Budget, the Department of Justice, the Bureau of Internal Revenue, the Army Board of Engineers for Rivers and Harbors, and the Federal Specifications Board. Examples of the type of service rendered to these agencies were the Commission's work for the Department of Agriculture on tariff matters relating to sugar and molasses; that for the Department of State on the sugar draw-back systems of the United Kingdom and the United States, work which involved the presence of a member of the Commission's staff at discussions in London with the British Government; and that for the Army Board of Engineers for Rivers and Harbors, on the marketing of sugar in the Mississippi Valley.

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OTHER ACTIVITIES

General Research and Assembling of Basic Data

Prerequisite to all the varied activities of the Tariff Commission is its task of assembling, maintaining, coordinating, and analyzing basic economic, statistical, and technical information. Over the years, the Commission has devoted a large part of its work to creating and maintaining a fund of information that will be readily available when specific needs arise. From this store of information, which must constantly be kept up to date, flows most of the material for the Commission's assistance to the Congress and to congressional committees, for its work under special provisions of law, for its special reports and studies, for its activities under the trade agreements program, and for its assistance to the defense agencies, other Government departments, and the public. Section 332 of the Tariff Act of 1930 directs the Commission to gather such information and to put it at the disposal of the President, the Senate Committee on Finance, and the House Committee on Ways and Means, "whenever requested."

Information on several thousand individual commodities comprises the larger part of the Commission's store of basic information. It includes technical data on the nature of the commodities and their processes of production; data on United States production, imports, exports, and prices; data on production, imports, exports, and prices for the leading foreign producing and exporting countries; and facts as to the conditions of competition between foreign and domestic products, particularly as to competition from imported products in the principal domestic markets. This information is obtained primarily through field work by the Commission's technical experts and through the assembly, collation, and analysis of data from Government and trade publications and from other contacts with industry. Another major class of the Commission's basic data has to do with foreign countries—their exports, imports, resources, and industries; their economic, financial, and trade position; and their commercial policies.

Field Work

Field work by the commodity and economic experts of the Commission is essential to the gathering of accurate information for the investigations that it is charged with conducting. A substantial part of the data that the Commission uses in its Summaries of Tariff

Information and in its other reports is obtained by personal visits of its representatives to manufacturers and importers. Through years of experience the Commission has found that neither public hearings nor inquiries by mail can supply it with all the details it needs for making decisions in its investigations, and for verifying information on production, costs, industrial practices, and competitive factors. The field work that the Commission conducts each year to obtain information on technical developments, trends in production, and competitive conditions proved extremely useful to Government agencies during the war, and is again proving useful to the defense agencies. During 1951 the Commission has found it necessary to carry on even more extensive field work than in ordinary times. Work on the escape-clause investigations and the investigations under section 22 of the Agricultural Adjustment Act, as amended, has made it essential that staff members go into the field and obtain needed information direct from producers.

Work of the New York Office

Besides its Washington office, the Commission maintains an office in the customhouse at the port of New York, primarily to provide it with more detailed information on imports of commodities than is available from the regular tabulations of the import statistics. The New York office also maintains contacts with manufacturers, importers, exporters, customs examiners and appraisers, and others in the New York area, in order to provide the Commission with many special kinds of needed information.

In its analysis of imports, the New York office uses the original customhouse documents, to which are attached consular and commercial invoices that have been reviewed and passed on by the appraisers and examiners. These invoices describe imports in detail as to type, grade, size, quantity, and value, and provide other data not available elsewhere. When necessary, the New York office also analyzes the statistical copies of import entries into customs districts other than New York. If the Commission requires additional details for these entries, the New York office requests the customhouse documents on file at the port of entry. An Invoice Analysis Section in the Commission's Washington office coordinates the work of the New York office with other Commission activities.

During 1951 the New York office analyzed in detail the data for some 600 commodity classifications of imports. About half of these analyses were monthly and the rest bimonthly. In addition, the New York office made special analyses for use in the Commission's investigations under sections 336 and 337 of the Tariff Act of 1930, under section 22 of the Agricultural Adjustment Act, and under the escape

clause of trade agreements. It also gathered special information for the use of other Government agencies.

Furnishing Technical Information to Industry and the Public

On specific problems within its field, the Tariff Commission furnishes information in response to many requests from outside the Federal Government. These requests come from industrial and commercial organizations, labor unions, farm organizations, and research organizations, as well as from individual research workers, lawyers, editors, and other private individuals. They cover a wide range of subjects and are received by letter, by telephone, and through personal visits at the office of the Commission. Dealing with them entails a variety of work, such as preparation of appropriate letters and special statistical compilations, and conferences with individuals and representatives of organizations.

The Commission maintains no "public relations" staff for dealing with the public. It refers requests for information to the appropriate Divisions of the Commission, for handling in addition to their other regularly assigned duties.

PERSONNEL AND ADMINISTRATION

Membership of the Commission

Oscar B. Ryder, Democrat from Virginia, was reappointed a member of the Commission for the term ending June 16, 1957. He was again designated by the President as Chairman for one year, beginning June 17, 1951.

Lynn R. Edminster, Democrat from Illinois, was again designated by the President as Vice Chairman for one year, beginning August 4, 1951.

The other members of the Commission are Edgar B. Brossard, Republican from Utah; E. Dana Durand, Republican from Minnesota; John P. Gregg, Republican from Oregon; and George McGill, Democrat from Kansas.

Personnel

On June 30, 1951, the personnel of the Commission consisted of 6 Commissioners and 205 employees, a total of 211 persons. Of this total number, 118 were men and 93 were women.

The accompanying table shows the distribution of the Commission's staff, by title, on June 30, 1950, June 30, 1951, and October 31, 1951.

The following tabulation shows the size of the Commission's staff on June 30 of the alternate years from 1939 to 1949, on June 30, 1950, and on June 30 and October 31, 1951:

<i>Year</i>	<i>Number on staff</i>	<i>Year</i>	<i>Number on staff</i>
1939-----	311	1949-----	239
1941-----	297	1950-----	223
1943-----	307	1951:	
1945-----	301	June 30-----	211
1947-----	235	Oct. 31-----	203

Between June 30, 1945, and October 31, 1951, the number of persons on the roll of the Commission dropped from 301 to 203, a decline of nearly 33 percent. This decline has forced the Commission to postpone, curtail, or drop a number of important projects that would have been most timely. With such a drastically reduced force and the mounting demands on it, the Commission's staff has had to devote nearly all of its time to current projects of the highest priority and has had little opportunity to undertake projects on certain other subjects that are actively engaging the attention of the Congress, the Executive, and the public.

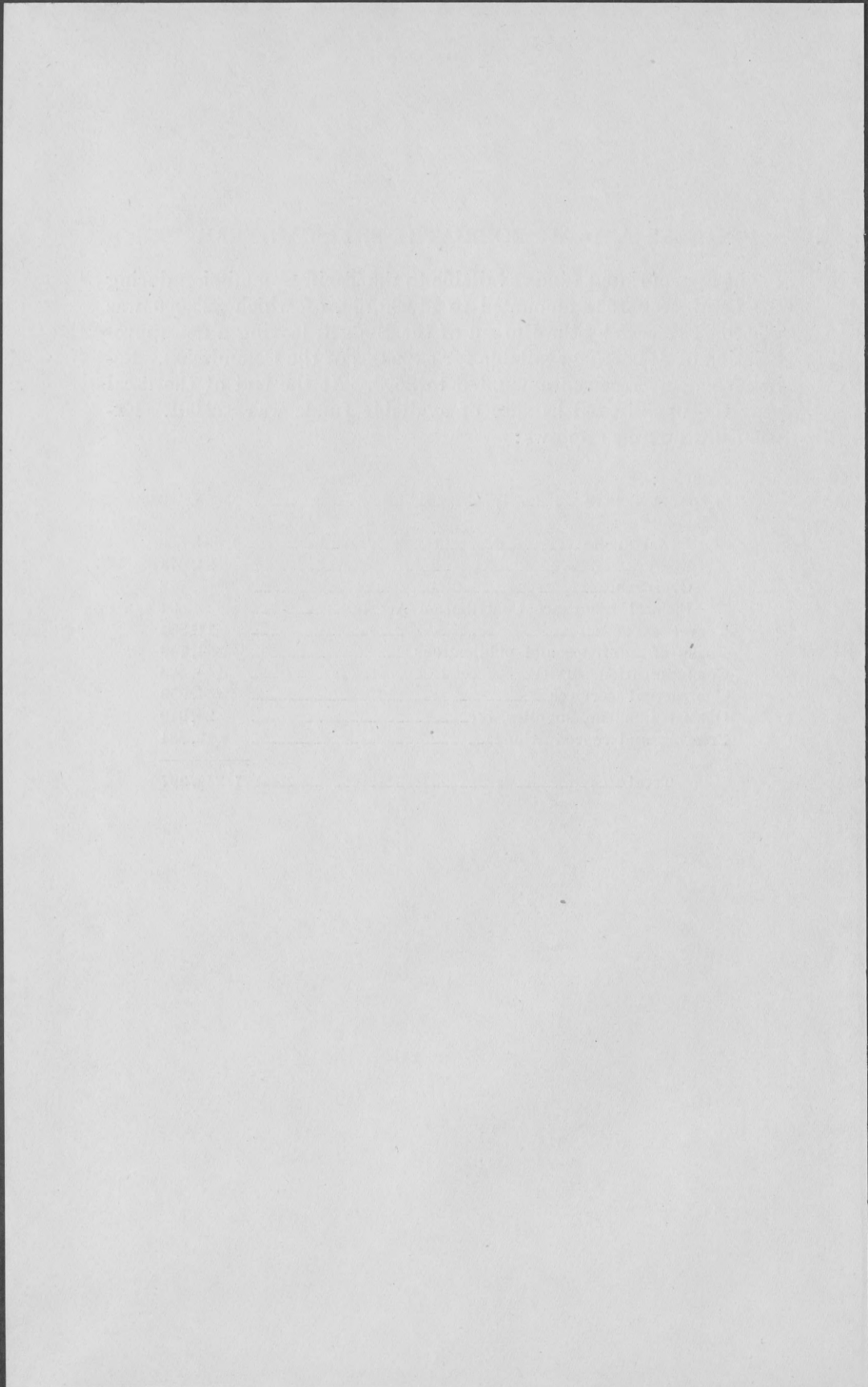
Number of persons on the staff of the United States Tariff Commission, by title, on June 30, 1950, June 30, 1951, and Oct. 31, 1951

Title	June 30, 1950	June 30, 1951	Oct. 31, 1951
Commissioners-----	5	6	6
Secretary-----	1	1	1
Director of Investigation-----	1	1	1
Chief Economist-----	1	1	1
Chief, Technical Service-----	1	1	1
Advisers-----	1	4	4
General Counsel-----	1	1	1
Chiefs of Divisions-----	7	8	8
Acting Chief of Division-----	1	-----	-----
Chief, New York Office-----	1	1	1
Assistant to the Chief, Technical Service-----	-----	1	1
Assistant General Counsel-----	1	-----	-----
Librarian-----	1	1	1
Chiefs of Sections-----	7	8	8
Accountants-----	7	-----	-----
Commodity Specialists-----	46	44	42
Industrial Engineers-----	4	6	6
Economists-----	22	18	19
Attorneys-----	3	3	1
Marine and Foreign Transportation Specialist-----	1	-----	-----
Budget and Methods Analyst-----	-----	1	1
Customs Records Analysts-----	5	5	5
Assistant Librarian-----	1	1	1
Library Assistants-----	4	4	4
Statistical Assistants-----	1	2	2
Secretaries to Commissioners-----	6	6	6
Junior Administrative Assistant-----	1	1	1
Clerks, Stenographers, and Secretaries-----	76	72	67
Operators, Office Devices-----	7	5	5
Telephone Operators-----	3	3	3
Messengers-----	6	5	5
Skilled Laborer-----	1	1	1
Total-----	223	211	203

FINANCES AND APPROPRIATIONS, FISCAL YEAR 1951

The appropriated funds available to the Tariff Commission during the fiscal year 1951 amounted to \$1,290,700, of which \$25,000 was placed in reserve by the Bureau of the Budget, leaving a net appropriation of \$1,265,700 available for expenses of the Commission. Reimbursements received amounted to \$698. At the end of the fiscal year the unobligated balance of available funds was \$22,001. Expenditures were as follows:

Salaries:	
Commissioners	\$85, 436
Employees:	
Departmental	1, 054, 656
Field	34, 675
Overtime	728
Federal Insurance Contribution Act tax	94
Travel expense	11, 854
Books of reference and publications	4, 749
Communication service	4, 466
Contractual services	4, 959
Office equipment, supplies, etc.	29, 919
Printing and reproduction	12, 861
Total	1, 244, 397



APPENDIX

SUMMARIES OF REPORTS ISSUED IN 1951

Harsh or Rough Long-Staple Cotton: Report to the President on the Supplemental Import Quota

On May 28, 1951, the Commission ordered an investigation relating to harsh or rough cotton $1\frac{1}{8}$ to $1\frac{3}{8}$ inches in staple length, to determine whether an additional quantity of such cotton should be permitted to enter by supplemental import quota during the quota year ending January 31, 1952, to meet special requirements for this particular type of cotton. A public hearing was held June 13, 1951. The import quota on long-staple cotton, which applies to cotton having a staple of $1\frac{1}{8}$ inches or more but less than $1\frac{11}{16}$ inches in length amounts to 45,656,420 pounds annually. The quota for the current quota year was exhausted on the opening day, February 1, 1951. The Commission reported the results of its investigation to the President on June 18, 1951.

In the course of its investigation, the Commission found that mills requiring harsh or rough long-staple cotton for specialized uses had virtually no stock on hand, a situation that had also existed in the previous quota year beginning February 1, 1950. To permit imports of the needed cotton in the quota year 1950-51, the President by proclamation dated October 4, 1950, established a supplemental quota of 1,500,000 pounds of harsh or rough long-staple cotton for the remainder of the period ending January 31, 1951. However, no substantial stocks of harsh or rough long-staple cotton were available for importation under the supplemental quota of 1950-51. All, or almost all, of such cotton consumed in the United States is of the Tanguis variety grown in Peru, and most of this cotton is harvested from May to August of each year. In 1950, most of the Tanguis cotton in Peru had been marketed before the date of the proclamation; consequently, only a small part of that supplemental quota was actually imported. At the beginning of the current quota year (February 1, 1951), almost no desirable qualities of Tanguis cotton of the 1950 crop were held by mills in the United States or were on the market in Peru, and the 1951 crop had not yet been harvested. Hence, only small quantities of Tanguis cotton were available for entry on February 1, 1951, the opening day of the quota year for long-staple cotton; the quota was filled on that day, and, without a supplemental

quota, domestic manufacturers could obtain no more Tanguis cotton until February 1, 1952.

Tanguis cotton is used in the United States principally in making asbestos yarns, in mixing with wool, and in making certain industrial fabrics. No other foreign cotton and no domestic cotton has the characteristics that make Tanguis cotton desirable for these purposes. Because of its coarse fiber, Tanguis cotton is not ordinarily substituted for domestic long-staple cotton in most textile uses; only a substantial price advantage would encourage manufacturers to effect such a substitution. The price of Tanguis cotton is not now and has not been since 1946 sufficiently below the price of domestic long-staple cotton to encourage its substitution for domestic cotton.

To supply the requirements for the specialized uses of Tanguis cotton during the current quota year ending January 31, 1952, the Commission recommended to the President that he permit entry of an additional quantity of 1,500,000 pounds of harsh or rough cotton (except cotton of perished staple, grabbots, and cotton pickings), white in color, and having a staple of $1\frac{3}{16}$ inches or more but less than $1\frac{3}{8}$ inches in length, during the remainder of the quota year ending January 31, 1952. On June 29, 1951, the President issued a proclamation giving effect to this recommendation.

Industrial Materials Reports

Ethyl Alcohol (Industrial Alcohol)

The report *Ethyl Alcohol (Industrial Alcohol)* (M-1) was issued by the Commission in September 1951.

Ethyl alcohol for nonbeverage use (industrial alcohol) is an essential commodity in times of peace or war. It is used principally as a solvent in protective coatings, plastics, toilet and pharmaceutical preparations, and explosives, and as a raw material for the production of other chemicals. One of the most important uses in the latter category is in the production of acetic acid which, in turn, is used in making rayon yarns and plastics. During World War II, large quantities of alcohol were used in the production of synthetic rubber. With the expansion of the defense program in recent years, alcohol has again become an important raw material in the manufacture of rubber.

Before World War II, approximately 100 million gallons of industrial alcohol was consumed annually in the United States. During the war the annual consumption increased to nearly 600 million gallons. Although requirements declined sharply after the war, consumption of industrial alcohol for peacetime uses is still considerably above the prewar level, about 190 million gallons being consumed in

the fiscal year 1950. Since then, because of defense activities, the requirements have again increased. Alcohol required for the production of synthetic rubber alone will amount to about 125 million gallons for the calendar year 1951.

In the United States, industrial alcohol is produced principally by fermentation of molasses and grain, and by synthesis from natural gas and petroleum-refinery gases. Production by synthesis is becoming increasingly important. The United States is usually able to supply its requirements of alcohol from its own industrial-alcohol plants. During the war, however, it was necessary to rely on the beverage distilleries for a substantial part of the greatly increased supplies of industrial alcohol needed to meet wartime demands. Had it not been for contracts with France to supply large quantities of alcohol in 1951, it might again have been necessary to utilize beverage distilleries to produce industrial alcohol. Future requirements and the supply of industrial alcohol will depend largely on international developments.

Bedding Feathers and Downs

The report *Bedding Feathers and Downs* (M-2) was issued by the Commission in September 1951.

Bedding feathers and downs are used as filling materials in pillows, comforters, sleeping bags, feather beds, and sofa and chair cushions. Duck and goose feathers and down, because of their greater compressibility, resiliency, and lightness of weight, are greatly superior to chicken and turkey feathers as a filling material in these articles. Because waterfowl feathers and down also have excellent insulating qualities, they are the primary material for filling military sleeping bags designed for use in cold climates.

The United States is self-sufficient in the production of chicken feathers, but normally depends on imports for more than 80 percent of the waterfowl feathers consumed in this country.

World production of bedding feathers, as reported by the trade, has been considerably smaller since World War II than it was before the war. There are three main causes for this decline: Governmental policies within the principal producing countries have tended to restrict the number of fowl raised by farmers; the world price of feathers has been depressed in relation to the prices of other commodities; and war conditions have disrupted normal production and trading. World output of crude feathers in the late 1930's is estimated to have exceeded 70 million pounds annually; no reliable statistical information on the volume of world commercial production since that time is available. About half the prewar output was produced in Eastern Europe—Hungary, Poland, Yugoslavia, Rumania,

Czechoslovakia, and the Soviet Union; about one-fourth, in China; and the remaining fourth, in the United States. Waterfowl feathers comprise roughly 90 percent of the production in all countries except the United States, where less than 10 percent of production is waterfowl feathers, the rest being chicken feathers.

In general, feathers move in international trade from eastern Europe and eastern Asia to western Europe and North America. Before World War II, Germany and the United States were the largest consumers of feathers. Germany, however, was by far the most important consumer of waterfowl feathers—the feathers which move in international trade—and therefore usually dominated the world market.

United States consumption of crude bedding feathers since World War II is estimated to have ranged from 25 to 30 million pounds annually. Roughly one-third has been imported waterfowl feathers, about 5 percent has been domestically supplied waterfowl feathers, and the rest chicken feathers from domestic sources. Waterfowl feathers are produced in the United States principally on commercial duck farms located chiefly on Long Island, New York. The total output of crude duck feathers from commercial farms is about $1\frac{1}{4}$ to $1\frac{1}{2}$ million pounds annually. Besides this quantity, from 300,000 to 500,000 pounds of mixed goose and duck feathers are available annually from poultry-processing plants in the Midwestern States. Production of waterfowl feathers in the United States has declined steadily for several years because chicken has been increasingly the predominant fowl in the American diet. About 20 million pounds of chicken feathers has been saved and marketed annually in the United States since the war. The large broiler-raising areas of the Middle Atlantic States are now the chief source of the commercial supply of chicken feathers.

United States imports of crude bedding feathers have shown a long-term upward trend because of an increasing demand for feather products and a decreasing domestic supply of waterfowl feathers. Imports have always consisted almost entirely of waterfowl feathers. During the years 1948–50 annual United States imports averaged 8.9 million pounds, valued at 6.3 million dollars.

For many years the United States has been a large exporter of crude chicken feathers. On some few occasions, domestic waterfowl feathers have been exported, but not in significant quantities.

Since the United States depends principally upon imports for waterfowl feathers, and since the bulk of world collection is in countries within the Soviet sphere of influence, the United States has a difficult problem at present in meeting its military needs for these feathers. During World War II all available supplies of waterfowl

feathers in the United States were reserved for military use. Even with this restriction, the supply of waterfowl feathers was not sufficient to meet the requirements for filling sleeping bags designed for actual or potential use of troops in cold climates.

The Korean conflict and the defense program brought a sudden increase in the military demand for waterfowl feathers. At the same time difficulties were met in procuring sufficient quantities of feathers from China to fill United States military requirements, with a resulting abrupt and substantial rise in prices of feathers in the United States. In the fall of 1950, waterfowl feathers were added to the list of items currently being stockpiled, and on April 16, 1951, National Production Authority Order M-56 again reserved for defense requirements the entire supply of new and used duck and goose feathers.

There is virtually no possibility that domestic production of new waterfowl feathers can be increased significantly. Thus if the demand that is in prospect for the immediate future is to be met, it will be met only by the entry of large imports. In the past, imports have come mainly from China and secondarily from eastern European countries. The prospect is for continued uncertainty as to imports both from China and from Eastern Europe. Imports from China might conceivably increase in the event of an armistice in Korea, followed by reduced political tension between the United States and China. The volume of imports from eastern European countries also will probably be determined largely by political and economic developments. If efforts to obtain adequate supplies from abroad are unsuccessful, the most promising source of waterfowl feathers for essential military use would probably be the collection of pillows and other bedding articles containing these feathers from homes throughout the United States.

Asbestos

The report *Asbestos* (M-3) was issued by the Commission in December 1951.

Asbestos is a general term applied to several fibrous minerals that differ in chemical composition and in some physical characteristics. The asbestos minerals that are commercially important are chrysotile (white asbestos), crocidolite (blue asbestos), and amosite (brown asbestos). The fibrous structure of asbestos permits it to be spun into yarn or thread, woven into cloth, or felted into sheets or packings in the same way as vegetable fibers. Unlike vegetable fibers, however, asbestos fibers consist of chemically inert, incombustible mineral matter. Asbestos fibers are used principally in brake-band linings and clutch facings, in gaskets and packings, in heat and electrical insulation, and, combined with cement or other binders, in the manufacture

of large quantities of certain building materials. For many of the important uses of asbestos there are no substitutes.

Asbestos is marketed by grades rather than as a single product. Grading is more elaborate in some countries than in others, and there is no world-wide standardization either of nomenclature or of the composition of individual grades. The appendix to the report includes data, compiled from information obtained from the trade, on grading and grades of asbestos in the principal producing countries.

Asbestos is free of duty. The United States is the world's largest asbestos-consuming country, but it produces only a relatively minor part of its requirements. Generally, over 95 percent of the total quantity of asbestos consumed in the United States is imported. Canada is the outstanding supplier of United States imports, but the Union of South Africa and Southern Rhodesia are important sources of certain varieties and grades essential for defense purposes.

During 1937-39, estimated world production of asbestos averaged about 605,000 short tons a year. In response to a large increase in demand, production increased greatly during and after World War II; in the period 1944-49 it averaged 870,000 tons annually. In 1950 it was estimated to be 1.1 million tons. The principal asbestos-producing countries, in the order of their importance, are Canada, the Soviet Union, Southern Rhodesia, the Union of South Africa, and Swaziland. Canada accounts for 60 to 70 percent of the total estimated world output.

In the United States the asbestos industry comprises the mining of asbestos and the manufacture of asbestos products. Asbestos mining, a relatively minor section of the industry, is carried on by about 10 concerns. Vermont and Arizona account for most of the domestic output, which has amounted recently to a little more than 40,000 tons a year. Several hundred tons of this output consists of the highest grade, low-iron chrysotile fiber. This fiber, which is similar to that produced in Southern Rhodesia, has excellent spinning qualities and is of strategic grade.

United States imports of asbestos come chiefly from Canada, which usually accounts for more than 90 percent of total imports. The other principal suppliers are the Union of South Africa and Southern Rhodesia. Total United States imports of asbestos in the period 1937-39 averaged about 243,000 short tons a year; in 1943 they were more than 440,000 tons. Since World War II, imports have increased; in 1950 they amounted to 706,000 tons, of which Canada supplied 96 percent.

Exports of asbestos from the United States consist largely of re-exports of imported asbestos that has been refined and blended in domestic plants. In recent years exports have been increasing, but

they still amount to less than 20,000 tons a year. Germany, Belgium, and Japan have been the principal foreign markets.

Because of our large degree of dependence on foreign sources of supply and the unavailability of substitute materials, especially for military uses, certain varieties of asbestos have been classified as strategic and critical materials. These types do not include the short or nonspinning fibers, which are usually in ample supply in Canada and which constitute the bulk of United States imports.

The four types of asbestos classified as strategic and critical are as follows: (1) Chrysotile spinning fiber (Canadian) of moderate iron content; (2) chrysotile spinning fiber of low iron content; (3) blue asbestos (crocidolite); and (4) amosite (brown asbestos). These types are needed for important defense uses not satisfactorily met by other asbestos. No great difficulty is anticipated in obtaining adequate supplies of the first type, which comes from Canada, and it is not being stockpiled. On the other hand, most of the low-iron chrysotile and the blue asbestos, and all of the amosite, originate in Africa; since there might be serious problems in obtaining supplies of these types in an emergency, they are being stockpiled.

For the 5 years 1946-50, imports of the four strategic types of asbestos averaged about 40,000 tons a year. The trend of imports has been upward, and, with the further expansion of defense preparations, it is possible that in the years immediately ahead annual requirements for strategic asbestos may increase to 55,000 tons or more, or approximately the level of consumption in 1943, the peak year of World War II. Approximately half the demand would probably be for chrysotile spinning fiber of moderate iron content and the rest for the other three strategic types.

As has been noted, there is no adequate domestic or Canadian production of low-iron chrysotile spinning fibers, or of blue and amosite asbestos; these types are imported from the Union of South Africa and Southern Rhodesia. Although the output of asbestos in these two countries has increased substantially since the war, the increase has been chiefly in the shorter, nonspinning grades; these grades are not classified as strategic and are not normally exported by these countries to the United States. The increase in the output of strategic-grade asbestos in both countries has been very much less than the rise in total production of asbestos.

Any increase in supplies of the strategic types of asbestos that might become available in the near future from South Africa and Southern Rhodesia would probably be shared by countries of the free world. The expanding demand of European countries and their increasing participation in defense preparations may prevent larger supplies from becoming available to the United States. During the first 7

months of 1951, United States imports of strategic grades of asbestos from South Africa and Southern Rhodesia were about 25 percent smaller than in the comparable period of 1950.

Synthetic Organic Chemicals

Preliminary report on production and sales in 1950

The Tariff Commission's preliminary report on production and sales of synthetic organic chemicals in 1950 was released in 13 separate sections, each covering one segment of the industry. Reports were issued on production and sales of coal-tar crudes; crude chemicals from petroleum and natural gas; cyclic intermediates; coal-tar dyes; lakes and toners; bulk medicinal chemicals; flavor and perfume materials; plastics and resin materials; plasticizers; rubber-processing chemicals; elastomers (synthetic rubbers); surface-active agents; and miscellaneous synthetic organic chemicals. The first section was issued in April, and the last, in August 1951.

Final report on production and sales in 1950

The Commission's final report, *Synthetic Organic Chemicals, United States Production and Sales, 1950* (Rept. No. 173, 2d ser.), was issued in October 1951. The statistics in this report were compiled from data supplied by about 575 companies and company divisions on more than 6,000 individual chemicals and chemical products. The report contains final statistics for 1950 on the groups of products mentioned above, as well as data on the number of employees engaged by the reporting companies in original organic chemical research, and on the total research expenditures of those companies. It also includes a Directory of Manufacturers, which identifies the manufacturers of each chemical, except those who have requested that their identification with a particular chemical be withheld.

United States production of tar from all sources in 1950 was 988 million gallons, or about 8 percent more than the output of 915 million gallons reported for 1949. Of the 1950 production, 749 million gallons was coal tar and 239 million gallons was oil-gas and water-gas tar.

Benzene, toluene, xylene, naphthalene, cresylic acid, road tar, and pitch of tar are the most important products obtained from coke-oven gas and tar. In 1950 the output of benzene (except motor benzene) was 186 million gallons, or 40 percent more than in 1949. Of the 1950 production of benzene, 176 million gallons was from coal tar and 10 million gallons was from petroleum sources. However, the output of motor-grade benzene in 1950 declined to 14 million gallons from the 23 million gallons reported for 1949. The output of toluene in 1950 was slightly higher than in 1949, and that of xylene in 1950 increased

25 percent over 1949. Production of naphthalene in 1950 was 22 percent higher than in 1949. The output of road tar in 1950 amounted to 151 million gallons, approximately the same as in 1949.

During 1950 the petrochemicals industry continued to expand. The output of crude chemicals from petroleum and natural gas for chemical conversion was 7 billion pounds in 1950, compared with 5 billion pounds in 1949. Production of aromatics and naphthenes (benzene, cresylic acid, naphthenic acids, toluene, xylene, and aromatic distillates and solvents) increased to 1.4 billion pounds in 1950 from the 1 billion pounds reported for 1949. The output of aliphatic hydrocarbons (ethane, ethylene, propane, propylene, butenes, 1,3-butadiene, and other hydrocarbons) increased in 1950 to 5.5 billion pounds from the 4 billion pounds produced in 1949. Of the aliphatic hydrocarbons, ethane and ethylene were produced in the largest volume in 1950, followed by the C_3 hydrocarbons (propane and propylene) and the C_4 hydrocarbons (principally butenes and 1,3-butadiene).

In 1950 the output of cyclic intermediates amounted to 3.4 billion pounds, an increase of 36 percent over the 2.5 billion pounds reported for 1949. Over half the total output of cyclic intermediates in 1950 was consumed by the producing plants in the manufacture of finished products such as dyes, flavor and perfume materials, and medicinal chemicals. The rest was sold to other manufacturers for conversion into finished products. In 1950 the combined output of cyclic finished products and acyclic intermediates and finished products was 18.9 billion pounds, compared with the 15.0 billion pounds reported for 1949. Acyclic intermediates and finished products accounted for 15.5 billion pounds of the total in 1950, and cyclic finished products, for 3.4 billion pounds.

Specified synthetic organic chemicals, monthly releases on production

During 1951 the Tariff Commission continued each month to release statistics on the production of a selected list of organic chemicals. Besides providing specific data on individual chemicals, these statistics serve as an index of activity in the synthetic organic chemical industry. Beginning with January 1951, the Commission's survey of organic chemicals was expanded, at the request of the National Production Authority, to include data on plant consumption and plant inventories for each chemical of the sixty-odd items on the list. Previously, the survey had been conducted on a company basis, production data having been obtained from each reporting company in a single report regardless of the number of plants the company operated. The statistics compiled by the Commission on plant consumption and plant inventories are not included in the published reports. Beginning with the report for July 1951, a number of new chemicals

were added to the list, bringing the total number to about 90. The releases, which are published monthly as Facts for Industry Series 6-2, give data on production for the current month and for the previous month.

Synthetic plastics and resin materials, monthly releases on production and sales

During 1951 the Tariff Commission continued each month to release statistics on the production and sales of synthetic plastics and resin materials. The Commission has conducted this survey since 1948. Beginning in January 1951, the scope of the survey of plastics and resin materials was extended, at the request of the National Production Authority, to cover—for each listed item—inventories held by the producing companies at the end of each month. The statistics compiled by the Commission on inventories are not included in the published reports. The reports, which are issued as Facts for Industry Series 6-10, contain statistics for the current month and for the previous month on alkyd, phenolic, urea and melamine, polystyrene, vinyl, and cellulose plastics and resins, classified according to their use as adhesives, laminates, protective coatings, and molding and extrusion materials, and for other purposes.

Imports of Coal-Tar Products, 1950

In August 1951, the Commission released its annual analysis of imports for consumption, of the coal-tar products entered under paragraphs 27 and 28 of the Tariff Act of 1930. The report, which covers imports through all United States customs districts, is based on data obtained from an invoice analysis by the Commission's New York office.

Imports of coal-tar intermediates that entered in 1950 under paragraph 27 totaled 5.5 million pounds, valued at 1.6 million dollars (foreign value), compared with 3.7 million pounds, valued at \$779,000, in 1949. The 1950 imports came principally from the United Kingdom and Germany. Lesser quantities came also from the Netherlands, Belgium, Switzerland, Canada, Australia, Czechoslovakia, France, Poland, China, Sweden, and Italy.

Finished coal-tar products that enter under paragraph 28 consist of dyes, medicinals and pharmaceuticals, flavor and perfume materials, and miscellaneous finished products. In 1950, imports of these coal-tar products totaled 5.7 million pounds, valued at 5.3 million dollars (foreign value), compared with 1.4 million pounds, valued at 2.7 million dollars, in 1949. As in former years, dyes were by far the most important group of finished coal-tar products imported, accounting for 4.1 million dollars (foreign value) in 1950, compared with 2.2 million dollars in 1949. In 1950, Switzerland supplied 73

percent of the total quantity; Germany, 19 percent; and the United Kingdom, 8 percent. Imports of medicinals and pharmaceuticals, the next most important group of finished products, amounted to \$434,000 in 1950, compared with \$392,000 in 1949. Imports of perfume and flavor materials were valued at \$63,000 in 1950, compared with \$20,000 in 1949. Miscellaneous coal-tar products entered under paragraph 28 were valued at \$698,000 in 1950, compared with \$117,000 in 1949. This large increase in imports of miscellaneous coal-tar products resulted chiefly from increased imports of explosives and of synthetic resins from Canada.

Newsprint (Revision of Rept. No. 22, War Changes in Industry Series)

Large-scale production of newsprint paper is most practicable where abundant supplies of suitable wood are readily available. World production of newsprint in 1937 totaled 9.3 million short tons; in 1939 it was about 8.0 million tons; and in 1948, about 8.8 million tons. Canada is much the largest producer of newsprint. Next to Canada, the principal producing countries before World War II, in the order of their importance, were the United States, the United Kingdom, Finland, Japan, and Germany. With its large potential supply of pulpwood, the Soviet Union may become an important producer. Despite the large output in the United States, its newspaper publishers depend on supplies from foreign sources to meet more than 80 percent of their requirements.

Exclusive of timber lands, the Canadian paper industry represents an investment of nearly 900 million dollars, probably half of which is United States capital. In 1949 the total Canadian output of paper amounted to about 6.5 million tons, valued at 641.5 million dollars; newsprint represented 79 percent of the quantity and 73 percent of the value. Production of newsprint in 1937 amounted to 4.0 million tons, a prewar peak. In 1948 it reached a total of 5.0 million tons, or 56 percent of the estimated world output. Most of the Canadian output is exported, about four-fifths of the exports going to the United States. Out of a total of 52,000 persons in the entire Canadian paper industry, the newsprint branch employs about 40,000. The growth of the newsprint industry in Canada is the direct result of a plentiful supply of raw material, advantageous costs, proximity of the United States market, and duty-free entry of newsprint into the United States.

The United States has long been the world's largest producer and consumer of paper of all kinds considered in the aggregate. In volume of output it has far exceeded any other country. For many years, however, its consumption has been greater than its production, the deficit supplied by imports being almost entirely newsprint. In

1904, newsprint represented about 30 percent (by weight) of all the paper and paperboard produced in the United States. By 1923 this proportion had dropped to 20 percent, and by 1943, to less than 5 percent, where it has since remained. Consumption of newsprint in the United States amounted to 3.8 million tons in 1929; it declined to 2.7 million tons in 1933, but subsequently rose to 4.3 million tons in 1937 and to 5.5 million tons in 1949.

Production of newsprint in the United States reached a record high of 1.7 million tons in 1926. By 1944 it had declined to 721,000 tons. In 1946 it was 773,000 tons, and in 1949 it was 927,000 tons. During the period 1926-46 the number of mills making newsprint declined from nearly 60 to about 12. Only 3 mills now make newsprint exclusively; the others divide their capacity between newsprint and other kinds of paper.

Some newsprint is produced in all the large paper-producing regions of the United States. In 1948 approximately 443,000 tons were produced in the Northeast (chiefly in Maine), 60,000 tons in the Lake States, 268,000 tons in the Pacific Northwest, and 105,000 tons in the South. The industry was first established in the Northeast and in the Lake States, both regions being close to important markets and having ample supplies of raw material when wood was first used for paper making.

The manufacture of newsprint in the South began in 1940. The industry there consists of two mills—one, which makes approximately 110,000 tons a year, at Lufkin, Tex., and the other, which makes about 100,000 tons a year, at Childersburg, Ala. The development of newsprint production in the South began with the discovery that, under certain conditions, pine could be used for ground wood and that semi-bleached sulphate pulp could easily be substituted for unbleached sulphite in making newsprint. Paper so made can now be imported, free of duty, as standard newsprint.

In the early part of this century, imports supplied only a small part of United States requirements for newsprint. By 1925, however, imports constituted about half of consumption, and thereafter imports steadily increased and the domestic output gradually declined. Imports reached a prewar high of 3.3 million tons in 1937, or more than three times the domestic output. The low point during the war was in 1944, when 2.5 million tons were imported. After the war, imports again increased; in 1949 they amounted to 4.6 million tons, or five times the domestic output.

Under the Tariff Acts of 1922 and 1930, standard newsprint has been on the free list. This duty-free status has been bound in the General Agreement on Tariffs and Trade and in the trade agreements with Canada and Finland.

As a source of newsprint, Canada has the advantage of an ample supply of pulp timber and numerous large and efficient integrated mills so located as to permit shipment of newsprint to important United States markets at minimum transportation charges. The Dominion and Provincial Governments have placed some restrictions on exports of pulpwood, but none on exports of either pulp or newsprint. As a result, Canadian exports of newsprint paper since about 1930 have represented from 10 to 15 percent of total Canadian exports of all commodities, in terms of value. The bulk of this exported paper (80 percent or more) has come to the United States. Most of the imported Canadian paper has been consumed in the Northeast and in the Lake States, where it has supplemented a dwindling domestic supply produced at a relatively high average cost.

Mills in Oregon and Washington have supplied the greater part of the newsprint consumed west of the Rocky Mountains. The rest has come mainly from mills in British Columbia, with varying quantities coming also from Finland, Norway, and Sweden.

Since 1930, prices of domestic and Canadian newsprint sold in the United States have been based on a system of zone prices with freight charges allowed. Prices in the several zones vary according to specified differentials, which are added to or subtracted from the price in the basic zone. During 1920-39 the price of newsprint fluctuated considerably; in 1921 it reached a high point of \$130 a short ton, f. o. b. mill; by January 1922 it had dropped to \$70; and by April 1933, to \$41. In January 1938 the base price was \$51 a ton, which on April 29, 1942, became the maximum base price under regulations of the Office of Price Administration. This maximum was gradually increased until it reached \$85 a ton in October 1946. Price control ceased in November 1946. On April 1, 1947, the price was made \$91 a ton. On January 1, 1948, it was increased to \$97 a ton and on August 1 of the same year, to \$101, where it remained until October 1950. At that time several producers announced an increase, effective November 1, 1950, of \$10 a ton in base price; one or two others announced an increase of \$6 a ton.

The prices mentioned above apply only to roll newsprint sold on contract by the mill to the consumer. Conversion charges and merchants' mark-ups are added when the paper is sold to the consumer in a form other than in rolls or when it is sold through a jobber or paper merchant. Because of the added cost of cutting, trimming, packaging, and preparing sheet newsprint for market, it usually sells at prices from \$12 to \$18 a ton above those of roll newsprint.

Newsprint prices and the alleged control of prices by manufacturers, through attempts to restrict production, have been investigated several times by United States Government agencies. Over a period of 35

or 40 years, congressional committees have investigated the operations of the industry and have made recommendations designed to promote competition, to prevent price fixing, and to expand the supply of newsprint. Some of these investigations have continued over considerable periods.

Before the war, the small exports of newsprint from the United States went principally to the Far East and to Latin America. During the war such exports were more than triple the customary volume, but they did not exceed 5 percent of production, except in 1941, when they constituted almost 7 percent.

High production costs, rapidly growing demands for other kinds of paper, and a diminishing supply of available pulp timber are difficulties that confront the newsprint industry in the United States. Growing competition from other consuming industries for stands of suitable timber, and rising costs of labor in the woods (and, consequently, rising delivered costs for pulpwood) are also among the difficulties that face the domestic industry.

Alaska, a major potential supplier of newsprint, may eventually be able to produce 1 million tons annually. Two or three years and an investment of about 350 million dollars, however, would be required to develop such an output. Moreover, Alaskan timber resources may not be confined to production of newsprint, but may be utilized for making pulp for other kinds of paper, as well as for rayon and other chemical products.